

Mayflower High School

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended
31 August 2014

Company registration number:
07692668 (England and Wales)

Mayflower High School

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Mayflower High School

REFERENCE AND ADMINISTRATIVE DETAILS

Members	L Brumby S Dawkins S Wright	
Trustees	L Brumby * A Butler * D Coleman * I Cousins S Dawkins* J Farry G Harris * A Hunt A Hunter * I Mitchell * J Dawes L Stephenson L Whitworth J Worricker * S Wright J Barak * G Bott * A Wilson S Lister L Hatchard S Gibbs* C Lill	(Principal and Accounting Officer) (Staff Trustee) (Resigned 16 December 2013) (Resigned 12 November 2013) (Staff Trustee) (Appointed 15 July 2014) (Responsible Officer) (Chairman) (Appointed 30 March 2014) (Appointed 30 March 2014) (Appointed 30 March 2014) (Appointed 30 March 2014) (Appointed 30 March 2014)

* Members of the Finance Committee

Company secretary S Mason

Senior leadership team:

Headteacher:	L Brumby
Deputy Headteacher:	B Mason
Deputy Headteacher:	J Williams
Business Manager:	D Knight
Assistant Headteacher	K Farrant
Assistant Headteacher	C Kerrigan
Assistant Headteacher	J Rhodes
Assistant Headteacher	S Fawell
Assistant Headteacher	J Rowlands
Assistant Headteacher	J Smalley

Mayflower High School

REFERENCE AND ADMINISTRATIVE DETAILS

Principal and Registered Office	Mayflower High School Stock Road Billericay Essex CM12 0RT
Company Registration Number	07692668
Independent Auditor	Baker Tilly UK Audit LLP Marlborough House Victoria Road South Chelmsford Essex CM1 1LN
Bankers	Lloyds Bank 4 Station Road Upminster Essex RM14 2UR
Solicitors	Stone King 16 St Johns' Lane London EC1M 4BS

Mayflower High School

TRUSTEES' REPORT

The Trustees present their annual report, which includes the Strategic Report as defined under Company Law, together with the financial statements and auditors report of the charitable company for the year ended 31 August 2014. The comparative period of account is for the twelve month period from 1 September 2012 to 31 August 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION AND MEMBERS' LIABILITY

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

The governors act as the trustees for the charitable activities of Mayflower High School and are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Mayflower High School ("the School") or "the Academy" throughout this report.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

TRUSTEES' INDEMNITIES

Qualifying third party indemnity provisions (as defined in section 236 of the Companies Act 2006) were in force for the benefit of directors of the charitable company throughout the year and remain in force at the date of this report.

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors and omissions occurring whilst on Academy Trust business. The insurance provides an aggregate limit of indemnity of £5,000,000.

In accordance with normal commercial practice the school has purchased insurance to protect governors from claims arising from negligent acts, errors or omissions whilst on school business (see note 10).

PRINCIPAL ACTIVITIES

The school's objects are

- a. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum;
- b. to promote for the benefit of the inhabitants of Billericay and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

METHOD OF RECRUITMENT, APPOINTMENT, ELECTION, INDUCTION & TRAINING OF TRUSTEES

MEMBERS

The members of the Academy Trust comprise;

- the Headteacher
- the Chair of the Trustees
- the vice-chair of the Trustees
- one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose; and
- members appointed under article 16 of the Articles of Association

Each of the persons above are entitled to appoint Members and shall have the right from time to time by written notice delivered to the Office to remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

Membership will terminate automatically if:

- a Member (which is a corporate entity) ceases to exist and is not replaced by a successor institution;
- a Member (which is an individual) dies or becomes incapable by reason of mental disorder, illness or injury of managing and administering his own affairs;
- a Member becomes insolvent or makes any arrangement or composition with that Member's creditors generally.

Any of the persons above may appoint a Member in the event of membership terminating under the above conditions.

The Members may agree unanimously in writing to appoint such additional Members as they think fit and may unanimously (save that the agreement of the Member(s) to be removed shall not be required) in writing agree to remove any such additional Members.

Every person nominated to be a Member of the Academy Trust shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

Any Member may resign provided that after such resignation the number of Members is not less than three. A Member shall cease to be one immediately on the receipt by the Academy Trust of a notice in writing signed by the person or persons entitled to remove him under Articles 13 or 16 provided that no such notice shall take effect when the number of Members is less than three unless it contains or is accompanied by the appointment of a replacement Member.

TRUSTEES

As detailed in the Memorandum and Articles, the Academy Trust should have the following Trustees:

Subject to Articles 48-49 and 64, the Academy Trust shall have the following Trustees:

- a) up to 9 Trustees, appointed under Article 50;
- b) a minimum of 2 and up to 7 Parent Trustees appointed under Articles 53-58;
- c) up to 3 Staff Trustees, subject to Article 50A;
- d) the Headteacher;
- e) any Additional Trustees, if appointed under Article 62, 62A or 68A; and
- f) any Further Trustees, if appointed under Article 63 or Article 68A.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

APPOINTMENT OF TRUSTEES

The Members may appoint up to 9 Trustees, subject to Article 50A.

The total number of Trustees who are employees of the Academy Trust (including the Principal) must not exceed one third of the total number of Trustees.

The Headteacher shall be treated for all purposes as being an ex officio Governor.

Parent Trustees are elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Trustees which is contested shall be held by secret ballot.

The Staff Trustees shall be elected by staff members at the Academy. A Staff Governor must be a staff member at the time when he/she is elected. If a Staff Governor ceases to be a staff member then he/she shall be deemed to have resigned and shall cease to be a Governor.

The Trustees may appoint up to 3 Co-opted Trustees.

The Secretary of State may also appoint such Additional Trustees where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by the Predecessor School shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such Further Trustees as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any Additional or Further Trustees in accordance with Articles 62, 62A or 63, any Trustees appointed under Article 50 and holding office immediately preceding the appointment of such Trustees, shall resign immediately and the Members' power to appoint Trustees under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Trustees.

RECRUITMENT, INDUCTION AND TRAINING OF TRUSTEES

Trustees are recruited based on the skills that they will bring to the Governing Body or based on a proposal to the Governing Body by representative groups. On appointment Trustees receive extensive information relating to the Academy Trust and attend a briefing on the role and responsibilities of Trustees. During the year Trustees are offered training through school based and external courses. All Trustees are provided with copies of policies, procedures, minutes, financial statements, budgets, plans and other documents that they will need to undertake their role as Trustees.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

ORGANISATIONAL STRUCTURE

All Trustees are members of the full board. In addition Trustees are members of committees who report to the full board. There are six governor's committees: Curriculum, Chairs Liaison, Finance, Personnel, Premises and Pay Committee. The membership of committees is shown on page 1. There is an agreed terms of reference for each committee which is reviewed annually. The Academy Trust is responsible for the strategic direction and overall Trust management.

The day to day running of the school is delegated to the Headteacher, the leadership team and middle managers. The leadership team consists of the Headteacher, two Deputy Headteachers, Six Assistant Headteachers and the Business Manager.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Trust is exposed. In particular those related to the operations and finances of the Trust, and are satisfied that systems and controls are in place to mitigate any exposure to major risks.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The core aim of Mayflower High School is to maximise success, well-being and achievement by delivering outstanding provision for all within a culture of equality, understanding and mutual respect and to prepare students for their roles as global citizens. To achieve this core aim we undertake:

- To create and sustain a caring, positive and stimulating learning environment for all;
- To maximise the learning potential of all, academically, socially, culturally and spiritually and celebrate their successes and achievements;
- To encourage self-esteem, respect for others and for the world in which we live.

On a daily basis the school's commitment towards this vision can be seen through;

- Strong, supportive and professional leadership at all levels.
- High standards and expectations, underpinned by care and support for each individual.
- A clear focus on teaching and learning, achievement and standards that can be measured by results and examinations.
- Well-kept and maintained buildings and facilities.
- Confident, qualified and articulate young people personally motivated to undertake the next stage of their development.

OBJECTIVES FOR THE YEAR

The objectives for the year were:

Achievement and Student Progress

- 1.1 Raising standards of attainment
- 1.2 Pupil Premium
- 1.3 Student Progress Interventions
- 1.4 Data for tracking
- 1.5 Year 7 Catch-Up Premium
- 1.6 SEN/D reforms

Quality of Teaching

- 2.1 National Curriculum reforms content/rigour
- 2.2 Moderation at Key Stage 3 & 4
- 2.3 Assessment and feedback
- 2.4 Independent learning
- 2.5 All teaching good or outstanding

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

Quality of Teaching in the Sixth Form

- 3.1 Raising standards of attainment
- 3.2 A level reforms content/rigour
- 3.3 Moderation at Key Stage 5
- 3.4 Assessment, feedback, stretch and challenge
- 3.5 CEIAG

Behaviour and Safety

- 4.1 CEIAG Years 8-11
- 4.2 Parent online access
- 4.3 Online Personal Safety
- 4.4 Rewards

Leadership and Management: Performance

- 5.1 Performance management
- 5.2 Training
- 5.3 Pay progression
- 5.4 Coaching and mentoring

Leadership and Management Evaluation

- 6.1 School Self-Review
- 6.2 Increased use of ICT
- 6.3 Literacy and Numeracy
- 6.4 Development of Social, Moral, Spiritual and Cultural (SMSC)
- 6.5 Marketing
- 6.6 Curriculum interventions
- 6.7 In school variation (ISV)

Physical Resources

- 7.1 Premises refurbishments
- 7.2 Securing additional funds

STRATEGIES TO ACHIEVE THE YEAR'S OBJECTIVES

The Academy Trust produced detailed development plans for the year ended 31 August 2014. These are the School Improvement Plan for activities across the school. The plans form the basis for review of the achievement of objectives against the plan.

PUBLIC BENEFIT

The Academy Trust's Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission, in exercising their powers and duties.

A map is available on the school website showing the schools' priority admission area. There is no guarantee of a place in the school. In the event of oversubscription places will be allocated using the following criteria in the order given:

1. Looked After Children as defined in section 22 of the Children's Act 1989.
2. Children living in the priority admission area with a sibling attending the school;
3. Other children living in the priority admission area;
4. Children living outside the priority admission area with a sibling attending the school;
5. Remaining applications.

In the event of oversubscription within any of the above criteria, priority will be determined by straight line distance from home to school, those living closest being given the highest priority.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES & EVENTS

Mayflower High School continues to be a high achieving school with students' progress and attainment at the school are considered good to outstanding.

Mayflower High School's 2014 Examination Results.

<u>GCSE</u>	<u>2014</u>	<u>2013</u>
5+ A*-C GCSE	83%	85%
5+ A*-C GCSE (inc En & Ma)	73%	74%
1+ A*-G GCSE	100%	99%
EBacc	38%	37%
A*-A entries	27%	24%
A*-B entries	58%	57%
A*-C English	81%	82%
A*-C Mathematics	83%	83%
A*-C Science	82%	82%
<u>A Level</u>		
Average Points Score	357	351
A*-B grades	58%	60%
A*-E grades	99.5%	100%

PUPIL PROGRESS

Objective(s):

- To achieve the KS2-KS4 3 level progress targets (E&M)

Success criteria: Percentage of pupils making 3 levels progress in English KS2-4 82%
Percentage of pupils making 3 levels progress in Maths KS2-4 79%

Actual:

English	3+ Levels = 78%	4+levels = 43 %	5+levels = 11%
Maths	3+ Levels = 81%	4+levels = 39 %	5+levels = 12%

- To achieve KS4 whole-school targets

Success criteria: To achieve 84% 5+A*-C grades at GCSE
To achieve 72% 5+A*-C incl Eng & Maths grades at GCSE
All students to achieve at least 1 GCSE or equivalent grade

Actual:

5A*-C = 83%
5A*-C Including English and Maths = 73%
100% of entries achieved 1 A*G

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

PUPIL PROGRESS (CONTINUED)

Objective(s):

- To attain or exceed targets with the EBacc subjects.

Success criteria: 45% (2013: 35%) of students to achieve EBacc.

Actual: 38% (2013: 37%) of students achieved the EBacc

- To continue to monitor the progress of identified vulnerable groups

Success criteria: Vulnerable groups to achieve in line with set targets

SEN Students:

36% of SEN Students Achieved 5 A*-C

25% achieved 5 A*-C incl English and Maths.

89% of SEN students achieved 5 A*-G

Pupil Premium:

71% of Pupil Premium students Achieved 5 A*-C

59% of Pupil Premium students Achieved 5 A*-C incl English and Maths

94% of Pupil Premium students Achieved 5 A*-G

- To continue to add value from GCSE to A and AS

Success criteria: To achieve 100% A*-E grades at A Level

To achieve 58% A*-B grades at A Level, APS 335

Results

99.5% A*- E at A Level

58% A*-B at A Level

APS 355

Fixed Term Exclusions:

Academic Year	Number of students receiving fixed term exclusions	Number of days students were excluded for
2010 / 11	44 (3.4%)	125
2011 / 12	18 (1.5%)	41
2012 / 13	9 (1.6%)	25
2013 / 14	10 (1.8%)	25

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Attendance:

Excellent attendance continues to be a major strength of the school with improvements on the previous year.

	2012	2013	2014
% attendance	95.3%	95.6%	96.1%
% unauthorised	1.6%	0.6%	0.8%
Persistent Absence	4.3%	3.1%	1.8%

PREMISES RELATED PROJECTS

The following premises projects have been completed.

Various ground works completed to new footpaths & road markings.

Refurbishment to the Reprographics & Site Services offices.

Installation of four new corridor fire double doors.

Carpet replacement.

New lobby & door set to room 10.

Art rooms 53 & 54 divided and new lobby & door sets installed.

Electrical & data installation with new door to computer cupboard in room 53.

New door set in Technology room 5.

Back fill & make good inspection pit which was located in room 1a.

Development of the art store room to a computer room.

The new Mitel 5000 telephone system & 94 digital/IP phones was installed successfully, alongside training for key staff.

Refurbishment to the exam office to include new storage.

Redecorating of lower school corridor.

Redecorating of the front reception, toilets, kitchen & corridors.

Replace all external locks.

Room 1a refurbished with new furniture & carpet fitted.

Computers re-installed and new exhaust system modified to the laser cutting machine.

Room 5 refurbished, new furniture & carpet fitted, interactive screen & data projector, 32 new computers, electrical & data installation.

Installation of roller shutters replacing the old folding doors and new door set to the kitchen

Room 10 redecorated. New electrical & data installation. New furniture and 32 computers, interactive white board & projector and new blinds.

Inclusion room redecorated.

Rooms 80, 81, 82 & 83 redecorated internally & externally & new furniture.

Room 84 divided into two classrooms with additional entrance door, four windows, major rerouting of electrical, data & fire alarm cables, new carpets and interactive screen & data projectors.

Rooms 41, 46 & 47 all rooms redecorated, new carpets fitted & furniture.

Room 48 redecorated, new electrical & data installation, carpet, new furniture and 32 computers.

Room 97 all existing computers & tables removed. new tables installed, new Apple Mac's & iPads on trial.

Half of the library has been redecorated, Installation of new electrical & data, ceiling air conditioning units, new carpet, blinds, new furniture, 35 computers and Interactive screen & data projector.

Site - rear of swimming pool, new fire exit footpath constructed.

Roof Project (Funded by ACMF Bid for £547,938)

New glass lantern installed to the gym roof.

New roof & sky lights to the progress/ geography centre completed.

New roof to the library completed.

The new roof & skylights to D block completed and air handling system commissioning to be completed.

New roof and skylights to C block.

PE male & female changing rooms, toilet facilities and corridors, complete refurbishment.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

A Block community entrance - students and staff male & female toilets, complete refurbishment.

B Block students' male & female ground floor toilets, complete refurbishment.

Whole school's computer network was completely overhauled and modernised. The network operating system was upgraded to MS Server 2012, desktops to Windows 7 and the email system to MS Exchange 2013. All the school's core administration systems were successfully integrated onto this new platform. The network is now running Active Directory 2012 together with high availability data storage.

Interactive whiteboard installations to rooms 25, 26, 33, 34, 35, 48, 53, 60, 65, 75, 77, 77a, 94, 95.

FROG server hardware has been installed in order to upgrade to the latest FROG OS platform during the autumn term.

In addition to the extensive works carried out as listed above; having delayed the refurbishment of the toilets and changing rooms it was decided to make good use of the funds available to transform them. A whole new way of working was brought in for the project by involving a consultancy; Bryanston Square, Mayflower Staff, Governors and students experienced the way things are done in the commercial world. The result saw Paragon appointed to carry out the work over the summer holidays. The total project cost £450K approximately and has given both students and staff high quality facilities.

GOING CONCERN

After making appropriate enquiries the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future which is at least 12 months from the date of approval of the financial statements. For this reason the going concern basis has been adopted in preparing the financial statements.

FINANCIAL REVIEW

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is embedded in the work of the school. The principal risk facing the school is uncertainty over our future funding levels beyond 2014/15. The Funding received for 2014/15 has allowed the governing body to approve an in year budget with a small deficit. Funds will be allocated to areas for improvement from funds brought forward.

RESERVES POLICY

The school is required to consider what level of reserves it is appropriate for the school to hold in order to demonstrate appropriate financial management, stewardship and sustainability. The governing body wish to do this to provide assurance to all the schools' stakeholders that the school is being managed in a prudent manner for the best interest of its beneficiaries. The governing body also wants to provide confidence that there is a strong justification for the reserves held by the school, and that they wish to be open and transparent on all aspects concerning the schools' reserves policy. In doing this the school has considered the following areas:

Working Capital

The schools' cash flow is strong due to the profile of its incoming resources. In particular receipt of core grant funding at the start of the financial year means that reserves are not required for working capital purposes.

Financial risk management

All schools are subject to a wide range of risks, many of which have financial implications, and as such 'rainy day' funds are appropriate to be held as mitigation against the effect of such risks. The school has a formalised approach to risk management which identifies major risks, assesses their severity in terms of impact and likelihood and identifies mitigating actions. The financial risks that are mitigated by the holding of reserves include variability of income, variability of expenditure and the risks identified as serious, major or critical that have financial significance.

The schools' policy for reserves is linked to and part of its formal consideration of the schools' going concern presumption. The Trustees annually consider the level of reserves it is appropriate for the school to hold in order to demonstrate appropriate financial management and sustainability. During the year 2013/14 the Trustees, having discussed likely risks, decided on a level of £100,000.

The Academy acknowledges the need to set cash reserves aside to meet the risk of unforeseen events. Since its funding is relatively well assured, such risks relate to the potential late receipt of funds and the need for emergency expenditure. The governors have considered these issues and agreed it prudent to reserve £100,000 for these purposes.

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

RESERVES POLICY (CONTINUED)

The Academy also has an exposure to the Local Government Pension Scheme in respect of its share of the overall scheme deficit. This deficit is being funded through a programme of agreed annual payments funded from the Academy's regular income and the risk that additional lump sums will be required is low. The governors have therefore decided not to set further cash reserves aside for this eventuality.

This policy will be reviewed annually in light of developing experience

INVESTMENT POLICY

The end of the financial year 31 August 2014 sees the Academy holding a significant balance; however the intention is to invest those funds into the fabric of the school in order to improve the environment for the students. Therefore investment plans will consist of short term transfer to interest bearing accounts with Lloyds Bank in order to ensure funds are available to spend.

PLANS FOR FUTURE PERIODS

FUTURE STRATEGY

1. Achievement & Student Progress

- 1.1 Raising standards of attainment
- 1.2 Data for tracking
- 1.3 Student progress interventions
- 1.4 Pupil Premium
- 1.5 Most able
- 1.6 SEND
- 1.7 Year 7 catch up

2. Quality of Teaching

- 2.1 Develop transitional KS3 Curriculum Model
- 2.2 Develop & publish transitional KS3 assessment policy
- 2.3 Formalise Moderation at KS3
- 2.4 Further enhance the quality of Teaching and Learning across KS3 & 4

3. Quality of Teaching & Evaluation

- 3.1 KS4 curriculum development
- 3.2 Teaching of Literacy and Numeracy
- 3.3 School Self Review
- 3.4 Evaluation of timetable

4. Quality of Teaching/Provision in Sixth Form

- 4.1 Raising standards of attainment
- 4.2 Post 16 performance measures
- 4.3 Teaching of English/Maths
- 4.4 Preparation for new A Levels

5. Behaviour and Safety

- 5.1 Students 'readiness to learn'
- 5.2 Online and mobile technologies
- 5.3 CEIAG audit

Mayflower High School

TRUSTEES' REPORT (CONTINUED)

6. Performance Management and Training

- 6.1 CPD programme to develop capacity to deliver new GCSEs in English/Maths
- 6.2 Formalise in-house training
- 6.3 Performance management
- 6.4 External partnership links

7. Physical Resources

- 7.1 Management of premises refurbishments
- 7.2 Review and enhance the ICT facilities
- 7.3 Seeking and securing additional funds

FUNDS HELD AS CUSTODIAN

Although the company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors and other funders, Mayflower High School does not hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

EMPLOYEE INVOLVEMENT

The Charitable Company encourages the involvement of its employees in its management through regular meetings with union representatives who have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

DISABLED PERSONS

The Charitable Company will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

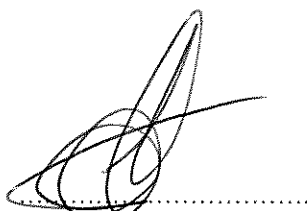
AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees have confirmed that as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the members of the governing body at its meeting on ~~15.12.14~~ and signed on its behalf by:



S Wright
Chair of Trustees

Mayflower High School

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Mayflower High School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Mayflower High School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
J Barak	1	3
G Bott	2	3
L Brumby (Headteacher and Accounting Officer)	3	3
A Butler (Staff Governor)	2	3
D Coleman	2	3
I Cousins (Resigned 16 December 2013)	1	1
S Dawkins	2	3
J Farry	3	3
G Harris (Resigned 12 November 2013)	0	0
A Hunt (Staff Governor)	2	3
A Hunter	3	3
I Mitchell	1	3
L Stephenson	3	3
L Whitworth	2	3
J Worricker	1	3
S Wright (Chair of Trustees)	3	3
S Lister (Appointed 30 March 2014)	2	2
A Wilson (Appointed 30 March 2014)	2	2
C Lill (Appointed 30 March 2014)	2	2
L Hatchard (Appointed 30 March 2014)	2	2
S Gibbs (Appointed 30 March 2014)	2	2
J Dawes (Appointed 15 July 2014)	1	1

The Finance Committee is a sub-committee of the main board and its purpose described within its Terms of Reference below:

On behalf of the Governing Body:

1. To consider the academy's indicative funding, notified annually by the DfE, and to assess its implications to the for the academy, in consultation with the Headteacher and Business Manager, in advance of the financial year, drawing any matters of significance or concern to the attention of the governing body.
2. To consider and recommend acceptance/non-acceptance of the academy's budget, at the start of each financial year.
3. To contribute to the formulation of the academy's improvement plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher and SLT, with the stated and agreed aims and objectives of the academy.

Mayflower High School

GOVERNANCE STATEMENT (CONTINUED)

4. To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the improvement priorities set out in the improvement plan.
5. To liaise with the Pay Committee and other governing body committee, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them and to agree budgets within which these committees may operate.
6. To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the governing body.
7. To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
8. To prepare the financial statement to form part of the report to be filed in accordance with the Companies Act and DfE requirements.
9. To receive and approve the Draft Accounts. To review and recommend to the Full Governing Body the Final Accounts.
10. To receive Auditor's reports and to recommend to the full governing body action as appropriate in response to audit findings; acting as and subsuming the role of the Audit Committee.
11. To recommend to the full governing body the appointment or reappointment of the auditor of the academy.

The Finance Committee recommended to the Main Governing Body during the year ended 31 August 2014 the release of significant funds to facilitate school improvement.

Attendance at Finance Committee meetings during the year is as follows:

Governor	Meetings attended	Out of a possible
J Barak	5	6
G Bott	2	2
L Brumby (Headteacher and Accounting Officer)	6	6
A Butler (Staff Governor)	5	6
D Coleman	3	6
J Farry	2	2
G Harris (Resigned 12 November 2013)	0	1
A Hunter	5	6
I Mitchell	6	6
J Worricker	1	6
A Wilson (Appointed 30 March 2014)	2	2
S Gibbs (Appointed 30 March 2014)	2	2

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mayflower High School for the year to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Mayflower High School

GOVERNANCE STATEMENT (CONTINUED)

CAPACITY TO HANDLE RISK

The governing body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

THE RISK AND CONTROL FRAMEWORK

The schools' system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability; in particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and twice termly financial reports which are reviewed by the Finance Committee of the Governing Body
- Regular reviews by the Finance Committee of major expenditure and any budget movements that take place during the year
- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governors have appointed Essex County Council through their Internal Controls Evaluation Service, to perform additional checks.

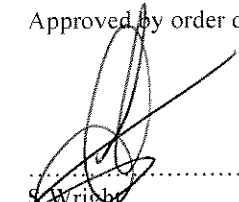
REVIEW OF EFFECTIVENESS

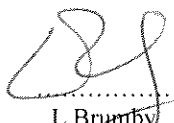
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During this period in question the review has been informed by

- The work of Essex County Council in providing additional checks
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the senior managers within the school who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of the review of the systems of internal control and with the Finance Committee has ensured there is a plan to address any weaknesses.

Approved by order of the members of the governing body on 15.12.14..... and signed on its behalf by:


.....
S. Wright
Chair of Trustees

 15/12/14
.....
L. Brumby
Accounting Officer

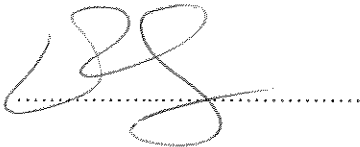
Mayflower High School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Mayflower High School Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregular, impropriety or funding non-compliance have been discovered to date.



L Brumby
Accounting Officer

15/12/14

Mayflower High School

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as governors of the Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

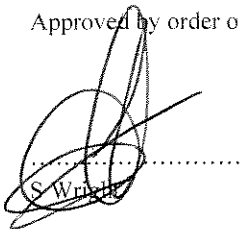
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 15.12.14 and signed on its behalf by:



S. Wright

Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYFLOWER HIGH SCHOOL
YEAR ENDING ON 31 AUGUST 2014

We have audited the financial statements of Mayflower High School for the year ended 31 August 2014 on pages 21-44. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER REQUIREMENT OF THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
MAYFLOWER HIGH SCHOOL (CONTINUED)
YEAR ENDING ON 31 AUGUST 2014

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Marlborough House

Victoria Road South

Chelmsford

Essex

CM1 1LN

17 December 2014

Mayflower High School

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

For the year ended 31 August 2014

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	1	344,293	47,839	577,284	969,416	549,081
Activities for generating funds	2	561,373	22,149	-	583,522	562,135
Investment income	3	7,614	-	-	7,614	3,908
Incoming resources from charitable activities:						
Academy Trust's educational operations	4	-	8,391,143	-	8,391,143	8,513,408
TOTAL INCOMING RESOURCES		913,280	8,461,131	577,284	9,951,695	9,628,532
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary income	5	318,908	-	-	318,908	266,764
Fund-raising trading	5	395,308	-	-	395,308	354,884
Charitable activities:						
Academy Trust's educational operations	5, 6	-	9,199,191	422,113	9,621,304	8,717,964
Governance costs	5, 7	-	26,185	-	26,185	39,675
TOTAL RESOURCES EXPENDED		714,216	9,225,376	422,113	10,361,705	9,379,287
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS						
Gross transfers between funds	15	(68,446)	197,408	(128,962)	-	-
NET (EXPENDITURE)/INCOME FOR THE YEAR		130,618	(566,837)	26,209	(410,010)	249,245
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	265,000	-	265,000	(134,000)
NET MOVEMENT IN FUNDS		130,618	(301,837)	26,209	(145,010)	115,245

Mayflower High School

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) (CONTINUED)

For the year ended 31 August 2014

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2014	Total 2013
<i>Notes</i>	£	£	£	£	£
NET MOVEMENT IN FUNDS	130,618	(301,837)	26,209	(145,010)	115,245
RECONCILIATION OF FUNDS					
Total funds brought forward	830,694	(2,522,163)	8,863,675	7,172,206	7,056,961
TOTAL FUNDS CARRIED FORWARD	16	961,312	(2,824,000)	8,889,884	7,027,196

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

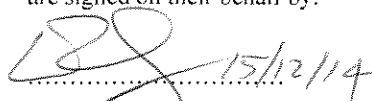
Mayflower High School

BALANCE SHEET

As at 31 August 2014

	Notes	2014 £	2014 £	2013 £	2013 £
FIXED ASSETS					
Tangible assets	11		8,889,884		8,837,891
CURRENT ASSETS					
Stocks	12	4,613		-	
Debtors	13	666,338		452,285	
Investments		752,011		-	
Cash at bank and in hand		252,129		1,376,346	
			<u>1,675,091</u>	<u>1,828,631</u>	
CREDITORS: Amounts falling due within one year	14	(713,779)		(639,316)	
NET CURRENT ASSETS			<u>961,312</u>		<u>1,189,315</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,851,196</u>		<u>10,027,206</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>9,851,196</u>		<u>10,027,206</u>
Pension Scheme Liability	23		(2,824,000)		(2,855,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u>7,027,196</u>		<u>7,172,206</u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	15		8,889,884		8,863,675
General annual grant	15		-		259,125
Special educational projects	15		-		73,712
Restricted funds excluding pension reserve			<u>8,889,884</u>		<u>9,196,512</u>
Pension reserve	15		(2,824,000)		(2,855,000)
TOTAL RESTRICTED FUNDS			<u>6,065,884</u>		<u>6,341,512</u>
TOTAL UNRESTRICTED INCOME FUNDS	15		<u>961,312</u>		<u>830,694</u>
TOTAL FUNDS			<u>7,027,196</u>		<u>7,172,206</u>

The financial statements on pages 21 to 44 were approved by the Trustees and authorised for issue on and are signed on their behalf by:


 L Brumby
 Accounting Officer

Mayflower High School

CASH FLOW STATEMENT

For the year ended 31 August 2014

	<i>Notes</i>	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	(482,998)	286,932
Returns on investments and servicing of financing	19	7,614	3,908
Capital expenditure	20	103,178	57,595
(DECREASE)/INCREASE IN CASH IN THE YEAR	21	<u>(372,206)</u>	<u>348,435</u>
RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER	21	1,376,346	1,027,911
(Decrease)/increase in cash in the year	21	<u>(372,206)</u>	<u>348,435</u>
NET FUNDS AT 31 AUGUST	21	<u>1,004,140</u>	<u>1,376,346</u>

Mayflower High School

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice: 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

GOING CONCERN

The Trustees assess whether the use of going concern basis of preparing the financial statements is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of approval of the financial statements.

INCOMING RESOURCES

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

GRANTS RECEIVABLE

Grant income is included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

DONATIONS

Donations are recognised on a receivable basis where there is an entitlement, certainty of receipt and the amount can be reliably measured.

OTHER INCOME

Other income including hire of facilities is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service.

INTEREST RECEIVABLE

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and the Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and the Department for Education, where the asset acquired or created is held for a specific purpose.

Mayflower High School

ACCOUNTING POLICIES (CONTINUED)

RESOURCES EXPENDED

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

TANGIBLE FIXED ASSETS

Tangible fixed assets costing £5,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Freehold buildings	Straight line over 20 years
Plant and machinery	Straight line over 5 years
Computer equipment	Straight line over 3 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

LEASED ASSETS

Rentals under operating leases are charged on a straight-line basis over the lease term.

Mayflower High School

ACCOUNTING POLICIES (CONTINUED)

PENSION BENEFITS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

1 VOLUNTARY INCOME

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
DfE/EFA capital grants	-	-	577,284	577,284	238,338
Other donations	344,293	47,839	-	392,132	310,743
	<u>344,293</u>	<u>47,839</u>	<u>577,284</u>	<u>969,416</u>	<u>549,081</u>

Capital grants received are not permanent endowments.

2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted general funds £	Total 2014 £	Total 2013 £
Catering	390,719	-	390,719	349,494
Class sales	10,785	-	10,785	22,936
Photocopying	1,308	-	1,308	1,483
Vending machine	5,806	-	5,806	10,886
Music tuition	-	14,428	14,428	5,262
Exam fees	-	7,511	7,511	15,300
Course fees & community sales	51,295	-	51,295	59,900
Rentals income	4,400	-	4,400	4,506
Lettings income	69,234	-	69,234	82,714
Student books sales	15,554	-	15,554	4,058
Uniform	6,293	-	6,293	3,315
Other income	5,979	-	5,979	2,281
Income from internal recharge of services	-	210	210	-
	<u>561,373</u>	<u>22,149</u>	<u>583,522</u>	<u>562,135</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

3 INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	7,614	-	7,614	3,908

4 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
DfE/EFA REVENUE GRANTS					
General annual grant (GAG)	-	7,979,696	-	7,979,696	8,099,021
Other DfE/EFA grants	-	238,286	-	238,286	53,820
	-	8,217,982	-	8,217,982	8,152,841
OTHER GOVERNMENT GRANTS					
School standards fund	-	-	-	-	39,375
Local Authority grants	-	173,161	-	173,161	24,193
Special educational projects	-	-	-	-	296,999
	-	173,161	-	173,161	360,567
	-	8,391,143	-	8,391,143	8,513,408

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

5 RESOURCES EXPENDED

	Non pay expenditure		Total	Total	
	Staff costs	Premises	Other costs	2014	2013
	£	£	£	£	£
Costs of generating voluntary income	-	-	318,908	318,908	266,764
Fund-raising trading	122,527	-	272,781	395,308	354,884
Academy's education operations					
Direct costs	5,766,461	-	708,767	6,475,228	6,258,945
Allocated support costs	1,347,998	991,389	806,689	3,146,076	2,459,019
	<u>7,236,986</u>	<u>991,389</u>	<u>2,107,145</u>	<u>10,335,520</u>	<u>9,339,612</u>
Governance costs	-	-	26,185	26,185	39,675
	<u>7,236,986</u>	<u>991,389</u>	<u>2,133,330</u>	<u>10,361,705</u>	<u>9,379,287</u>
Net (outgoing)/incoming resources for the year				2014	2013
				£	£
Operating leases - plant and machinery				8,219	12,072
Fees payable to Baker Tilly UK Audit LLP and its associates for:					
- audit				10,700	10,300
- other services - in respect of the current year				7,938	8,445
- other services - in respect of the prior year				2,825	6,194

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

6 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATION OPERATIONS

	2014	2013
	£	£
DIRECT COSTS		
Teaching and educational support staff	5,766,461	5,699,977
Educational supplies	456,637	287,819
Educational visits	-	1,000
Examination fees	136,625	127,888
Staff development	34,016	33,452
Educational consultancy	62,868	54,335
Other direct costs	18,621	54,474
	<u>6,475,228</u>	<u>6,258,945</u>
ALLOCATED SUPPORT COSTS		
Support staff costs	1,347,998	1,243,676
Depreciation	422,113	353,379
Maintenance of premises and equipment	795,545	433,566
Cleaning	17,522	15,314
Rates	178,322	146,425
Insurance	52,051	58,663
Legal & professional	28,535	7,698
Security and transport	9,116	11,144
PPS and telephone	53,075	63,330
Bank interest and charges	177	296
Other finance cost - pension	124,000	93,000
Other support costs	117,622	32,528
	<u>3,146,076</u>	<u>2,459,019</u>
	<u>9,621,304</u>	<u>8,717,964</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

7 GOVERNANCE COSTS

	2014	2013
	£	£
Legal and professional fees	2,543	14,306
Auditor's remuneration		
Audit of financial statements	10,700	10,300
Other services	10,763	14,639
Trustees' support costs	2,179	-
Trustees' reimbursed expenses	-	430
	<u>26,185</u>	<u>39,675</u>

8 STAFF COSTS

	2014	2013
	£	£
Staff costs during the period were:		
Wages and salaries	5,727,769	5,622,382
Social security costs	424,057	419,520
Pension costs	951,134	897,723
	<u>7,102,960</u>	<u>6,939,625</u>
Supply teacher costs	124,026	110,136
Severance payments	10,000	12,250
	<u>7,236,986</u>	<u>7,062,011</u>

Included in severance payments are non-statutory/non-contractual severance payments totalling £10,000 (2013: £12,250). One of the non-statutory/non-contractual payments exceeded £5,000 individually, and this was for £10,000.

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2014	2013	2014	2013
	FTE	FTE	No.	No.
Teachers	90	94	96	102
Administration and support	76	77	130	139
Management	10	10	10	10
	<u>176</u>	<u>181</u>	<u>236</u>	<u>251</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

8 STAFF COSTS (CONTINUED)

The number of employees whose emoluments, excluding pension contributions, fell within the following bands was:

	2014	2013
	No.	No.
£70,001 - £80,000	-	1
£80,001 - £90,000	2	1
£110,001 - £120,000	1	1

Three (2013: three) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £40,416 (2013: £38,100).

9 TRUSTEES' REMUNERATION AND EXPENSES

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff trustees under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

The value of the Principal's remuneration was £118,682 (2013: £111,468). The Principal is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £16,737 (2013: £15,720). The value of the staff Trustee's remuneration was £57,840 (2013: £57,331). The staff Trustees are accruing retirement benefits under the Teacher' Pension Scheme and contributions paid during the year amounted to £7,935 (2013:

A Hunt (staff trustee) received remuneration of £45,960 (2013: £45,495). The staff trustee is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £6,480 (2013: £6,415).

A Butler (staff trustee) received remuneration of £12,108 (2013: £12,026). The staff trustee is accruing retirement benefits under the Local Government Pension Scheme and contributions paid in the year amounted to £1,488 (2013: £1,482).

During the year ended 31 August 2014, travel and subsistence expenses totalling £Nil (2013: £430) were reimbursed to Trustees.

Related party transactions involving the Trustees are set out in note 24.

10 TRUSTEES' AND OFFICERS INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £451 (2013: £2,454).

The cost of this insurance is included in the total insurance cost.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

11 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant & machinery £	Computer equipment £	Total £
COST				
1 September 2013	9,288,000	38,144	230,093	9,556,237
Additions	441,725	-	32,381	474,106
31 August 2014	<u>9,729,725</u>	<u>38,144</u>	<u>262,474</u>	<u>10,030,343</u>
DEPRECIATION				
1 September 2013	686,042	7,629	24,675	718,346
Charge for the year	329,300	7,629	85,184	422,113
31 August 2014	<u>1,015,342</u>	<u>15,258</u>	<u>109,859</u>	<u>1,140,459</u>
NET BOOK VALUE				
31 August 2014	<u>8,714,383</u>	<u>22,886</u>	<u>152,615</u>	<u>8,889,884</u>
31 August 2013	<u>8,601,958</u>	<u>30,515</u>	<u>205,418</u>	<u>8,837,891</u>

Included in freehold land and buildings is £2,702,000 (2013: £2,702,000) of land which is not depreciated.

12 STOCK	2014 £	2013 £
Uniform stock	4,613	-
	<u>4,613</u>	<u>-</u>
13 DEBTORS	2014 £	2013 £
Trade debtors	40	742
VAT recoverable	276,441	189,692
Prepayments and accrued income	389,857	261,851
	<u>666,338</u>	<u>452,285</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

14 CREDITORS: Amounts falling due within one year	2014	2013
	£	£
Trade creditors	236,807	177,790
Other taxation and social security	124,454	126,088
Other creditors	103,944	97,940
Accruals and deferred income	248,574	237,498
	<u>713,779</u>	<u>639,316</u>
Deferred income	2014	2013
	£	£
Deferred income at 1 September	138,384	61,756
Resources deferred in the year	77,638	138,384
Amounts released from previous period	(138,384)	(61,756)
	<u>77,638</u>	<u>138,384</u>

Included in deferred income at 31 August 2014 is £Nil (2013: £22,807) of restricted funding from the EFA for the academy's educational operations received in advance relating to the following academic year.

Also included in deferred income is £Nil (2013: £35,238) of restricted funding from the local authority for educational support funding received in advance relating to the following academic year.

Also included in deferred income is £77,638 (2013: £80,339) of unrestricted income relating to the following academic year made up as follows:

	2014	2013
	£	£
Course fees & community sales	6,063	5,789
Music tuition	580	250
Catering	14,302	16,056
Trips and visits	56,693	58,244
	<u>77,638</u>	<u>80,339</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

15 FUNDS

	At 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2014 £
FUNDS					
General Annual Grant (GAG)	259,125	7,979,696	(7,703,001)	(535,820)	-
Pension reserve	(2,855,000)	-	(234,000)	265,000	(2,824,000)
Other DfE/EFA grants	-	238,286	(750,728)	512,442	-
Local authority grants	-	173,161	(173,161)	-	-
Special education projects	73,712	-	(294,498)	220,786	-
Other donation income	-	47,839	(47,839)	-	-
Activities for generating funds	-	22,149	(22,149)	-	-
	<u>(2,522,163)</u>	<u>8,461,131</u>	<u>(9,225,376)</u>	<u>462,408</u>	<u>(2,824,000)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/EFA and local authority capital grants	206,527	577,284	-	(577,284)	206,527
Inherited fixed assets	8,601,958	-	(329,300)	-	8,272,658
Capital expenditure since conversion	55,190	-	(92,813)	448,322	410,699
	<u>8,863,675</u>	<u>577,284</u>	<u>(422,113)</u>	<u>(128,962)</u>	<u>8,889,884</u>
TOTAL RESTRICTED FUNDS	<u>6,341,512</u>	<u>9,038,415</u>	<u>(9,647,489)</u>	<u>333,446</u>	<u>6,065,884</u>
UNRESTRICTED FUNDS					
Unrestricted funds	830,694	913,280	(714,216)	(68,446)	961,312
TOTAL UNRESTRICTED FUNDS	<u>830,694</u>	<u>913,280</u>	<u>(714,216)</u>	<u>(68,446)</u>	<u>961,312</u>
TOTAL FUNDS	<u>7,172,206</u>	<u>9,951,695</u>	<u>(10,361,705)</u>	<u>265,000</u>	<u>7,027,196</u>

The specific purposes for which the funds are to be applied are as follows:

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the EFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

The Pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Other DfE/EFA fund has been created to recognise the restricted grant funding received from the DfE/EFA which fall outside the scope of core funding.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

15 FUNDS (CONTINUED)

The Local Authority revenue grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Academy's revenue expenditure.

The Special Educational Needs fund has been set up to recognise the restricted funding received from the EFA to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Other donation income fund has been created to recognise donations received which are specified by the donor to be used for a specific purpose.

The Activities for generating funds fund has been set up to recognise the incoming and outgoing resources in respect of activities undertaken by the academy which fall outside the scope of its core activities.

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority which represent the school site inherited from the local authority including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The DfE/EFA and local authority capital grant fund represents the total amount of capital grants received. The monies spent on fixed assets and refurbishment works are therefore allocated to this fund. Depreciation charge on the fixed asset purchases is allocated to the fund. The transfer into the GAG represents the amount of revenue expenditure that was incurred through using the capital grants received. The fund balance carried forward represents the carrying value of the fixed assets purchased using the capital grants received, together with the value of capital grants unspent by the reporting date.

The Capital Expenditure since conversion fund has been created to reflect the value of tangible fixed assets purchased from GAG funding. Depreciation charged to the assets purchased with the GAG funding is allocated to this fund.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted	Restricted	Restricted	Total 2014	Total 2013
	funds	general funds	fixed asset funds		
	£	£	£	£	£
Tangible fixed assets	-	-	8,889,884	8,889,884	8,837,891
Current assets	961,312	713,779	-	1,675,091	1,828,631
Current liabilities	-	(713,779)	-	(713,779)	(639,316)
Pension scheme liability	-	(2,824,000)	-	(2,824,000)	(2,855,000)
TOTAL NET ASSETS	961,312	(2,824,000)	8,889,884	7,027,196	7,172,206

17 FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Other:		
Expiring within two and five years inclusive	6,848	6,848
	6,848	6,848

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

18	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2014 £	2013 £	
	Operating (deficit)/surplus	(410,010)	249,245	
	Depreciation (note 11)	422,113	353,379	
	Capital grants from DfE/EFA and others	(577,284)	(238,338)	
	Interest receivable	(7,614)	(3,908)	
	FRS 17 pension cost less contributions payable (note 23)	110,000	82,000	
	FRS 17 pension finance costs (note 23)	124,000	93,000	
	Increase in stocks	(4,613)	-	
	Increase in debtors	(214,053)	(258,552)	
	Increase in creditors	74,463	10,106	
	NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>(482,998)</u>	<u>286,932</u>	
19	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2014 £	2013 £	
	Interest received	7,614	3,908	
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	<u>7,614</u>	<u>3,908</u>	
20	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2014 £	2013 £	
	Capital grants from DfE/EFA and others	577,284	238,338	
	Capital expenditure	(474,106)	(180,743)	
	NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>103,178</u>	<u>57,595</u>	
21	ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
	Cash at bank and in hand	1,376,346	(372,206)	1,004,140
		<u>1,376,346</u>	<u>(372,206)</u>	<u>1,004,140</u>

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

22 MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

23 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions were payable to the schemes as follows at 31 August and are included within other creditors:

	2014	2013
	£	£
Teachers' Pension Scheme	80,894	75,518
Local Government Pension Scheme	22,772	22,103
	<hr/>	<hr/>
	103,666	97,621
	<hr/>	<hr/>

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Teachers' Pension Scheme (continued)

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate will range between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at 31 March 2016, whereupon the employer contribution rate is expected to reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £560,134 (2013: £556,723).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August was £375,000, of which employer's contributions totalled £281,000 and employees' contribution totalled £94,000. The agreed rates for future years are 12.3 per cent for employers and between 5.5 and 7.5 per cent for employees.

Principal actuarial assumptions	2014 %	2013 %
Rate of increase in salaries	4.4	4.7
Rate of increase for pensions in payment	2.6	2.9
Discount rate	3.9	4.7
Inflation (CPI)	2.6	2.9

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at 65 are:

	2014 Years	2013 Years
Retiring today:		
Males	22.7	22.7
Females	25.1	25.3
Retiring in 20 years:		
Males	24.9	24.2
Females	27.4	26.9

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rate of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £'000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £'000
Equities	6.1	865	6.6	602
Gilts	3.0	86	3.5	74
Other bonds	3.6	148	4.4	83
Property	5.1	156	5.6	102
Cash	2.9	38	0.5	28
Alternative assets	3.6	53	4.4	37
		1,346		926
TOTAL MARKET VALUE OF ASSETS				
Present value of scheme liabilities				
- Funded		(4,170)		(3,781)
		(2,824)		(2,855)
DEFICIT IN THE SCHEME		(2,824)		(2,855)

The actual return on the scheme assets was £132,000 (2013: £102,000).

Amounts recognised in the statement of financial activities

	2014 £'000	2013 £'000
Current service cost	391	341
Total operating charge	391	341
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	64	34
Interest on pension liabilities	(188)	(127)
Pension finance costs	(124)	(93)

The actuarial gains and losses for the current year are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS17 is £234,000 (2013: £499,000).

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

Movements in the present value of defined benefit obligations were as follows:	2014 £'000	2013 £'000
At the beginning of the period	3,781	3,052
Current service cost	391	341
Interest cost	188	127
Employee contributions	94	87
Actuarial (gain)/loss	(264)	202
Benefits paid	(20)	(28)
At 31 August	<u>4,170</u>	<u>3,781</u>
Movements in the fair value of Academy Trust's share of scheme assets:	2014 £'000	2013 £'000
At the beginning of the period	926	506
Expected return on assets	64	34
Actuarial gain	1	68
Employer contributions	281	259
Employee contributions	94	87
Benefits paid	(20)	(28)
At 31 August	<u>1,346</u>	<u>926</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £285,000.

Mayflower High School

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2014

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

The five year history of experience adjustments is as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	(4,170)	(3,781)	(3,052)	(2,188)
Fair value of share of scheme assets	1,346	926	506	145
Deficit in the scheme	<u>(2,824)</u>	<u>(2,855)</u>	<u>(2,546)</u>	<u>(2,043)</u>
Experience adjustments on share of scheme assets Amount £'000	<u>1</u>	<u>68</u>	<u>4</u>	<u>-</u>
Experience adjustments on scheme liabilities: Amount £'000	<u>184</u>	<u>-</u>	<u>-</u>	<u>-</u>

24 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the year.

25 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £15,834 (2013: £13,306) and disbursed £15,834 (2013: £13,306), £Nil (2013: £Nil) was retained to cover administration expenses and therefore a balance of £Nil (2013: £Nil) was repayable to the EFA at the 31 August 2014.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MAYFLOWER HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mayflower High School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Mayflower High School and the EFA in accordance with the terms of our engagement letter dated 20 October 2014. Our work has been undertaken so that we might state to the Mayflower High School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Mayflower High School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF MAYFLOWER HIGH SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Mayflower High School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies: Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
MAYFLOWER HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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17 December 2014
